

Minutes Enhanced Services Commission April 11, 2012

Minutes of the Enhanced Services Commission held on April 11, 2012, 8:30 AM, at the Orchid House Conference Room, 21 E Sixth Street, Tempe, Arizona.

Members Present: City Staff Present:

Kathy Berzins Roger Hallsted
Neil Calfee Chris Messer
Lisa Collins Nancy Ryan
Wayne Dames Benicia Benson
Ken Jones Kathy Wittenburg

Heidi Kimball Nancy Hormann

Members Absent: Public Present:

Don Bessler Peter Wolff
Travis Dray Roger Pryor

Gordon Cresswell

Meeting convened at 8:34 AM.

Agenda Item 1 – Consideration of meeting minutes: January 11, 2012

Heidi Kimball confirmed the commission members had reviewed the minutes.

MOTION: Ken Jones SECOND: Neil Calfee DECISION: Minutes approved

Agenda Item 2 – Public Appearances

There were no public appearances.

Agenda Item 3 - Rio Salado Community Facilities 2012/2013 O&M Budget

Roger Hallsted presented the draft budget.

- Liability Insurance may increase due to the Pedestrian Bridge completion. A high guesstimate has been provided with the anticipation of a reduction.
- Infrastructure Replacement Reserves of \$531,000 improvements need to be discussed.
- Administration/Project Management is at 14.9%
- Lake Operations (SRP contract) has no changes.
- Water Quality has no change.
- Security is down about 50% due to the contract with DTC.
- Lake Surface/Shoreline Cleanup is slightly down, Public Works does most of the work.

- Electricity/Replacement Water is similar to last year but is still a wild card. There is no way to predict water flows, therefore no way to determine future pump usage.
- Equipment is down due to changes in security

Ken Jones stated that Risk Management has coverage for entire City and asked that Roger Hallsted coordinate with Laura Guerrero in Risk Management to make sure there is no duplicate coverage.

Neil Calfee questioned the large gap between the budget and the actual expenses and if the amount is too conservative. Roger Hallsted explained certain areas are an unknown such as Water Quality and Lake Operations. The costs depend on how many water quality treatments are needed and what level of clean-up is needed after a flow. Neil Calfee stated it would be great to close the gap between the budget and actual expenses which would benefit property owners.

Peter Wolff stated reserves may be a safety tactic.

Heidi Kimball asked if actual expenses go over budget, where does the money come from. Roger Hallsted explained the property owner billing process and the time of year the billing takes place. Property owners would receive a higher bill in the second half to cover the cost.

Neil Calfee stated the cushion on the budget may be overly conservative. He also questioned if there are additional levels of service that could be provided with the extra money, examples are landscaping or clean up.

Ken Jones questioned if the rates could be reduced by 10% for the first part of the year and then increased, if needed, during the second half of the year.

Heidi Kimball gave the example of a property owner budgeting expenses for the year ahead of time, they wouldn't want the surprise increase in the second half.

Neil Calfee emphasized the need to narrow down the reserves. Peter Wolff agreed

Ken Jones asked why there was a fluctuating cost in electricity in regards to pumps. Roger Hallsted and Nancy Ryan explained when there is water flow through the river there is no need to have the pumps running. When there are no flows the pumps run which increases the cost of electricity. Chris Messer pointed out the flows could cause the need for additional water quality treatments.

There was discussion on water quality treatments. Special events that require full body water contact requires treatment to all or part of the lake. Weather conditions and algae outbreaks also play a factor in the water quality. There are four to six events that potentially need treatment.

Neil Calfee asked if there is a fee assessed during the event permitting process to pay for water quality treatment. Roger Hallsted indicated that there is a lake user fee for any participant that will enter the water which goes directly to the CFD budget. Chris Messer stated the lake user fee should be increased. Neil Calfee stated there should be a baseline fee established for events. Nancy Ryan explained that certain events such as Ironman have contracts which may need to be re-negotiated if an addition fee was put in place.

Ken Jones asked how the CFD was involved in negotiating an event contract. Kathy Berzins replied that there is no involvement. Nancy Hormann stated the costs for water quality treatments would be added to the event score sheet. Ken Jones emphasized the importance of analyzing the event costs and properly distributing the responsibility of the costs. Neil Calfee indicated that the budget and services provided should be reviewed and re-appointed if necessary.

Nancy Ryan stated that there are certain areas of the lake that need more attention than others. Ken Jones stated the budget should be as close as possible before sending it to City Council for approval. Neil Calfee stated there shouldn't be more than a 15% gap.

The property owner billing process was again discussed. The possibility of cutting a check to the property owner's mid-way through the year was discussed.

Kathy Berzins questioned if the average used to calculate the reserves could be reduced. Ken Jones suggested removing the three highest years when calculating the average.

Roger Hallsted asked for approval to move forward with the knowledge that the insurance numbers will be corrected.

Ken Jones clarified that the budget proposed to council will be less than what is presented based on insurance numbers and readjustments.

Roger Hallsted asked if the water quality treatments should be cut back. There was discussion on the number of water quality treatments. The decision was made to remove one treatment and budget for a total of three. If the fourth treatment is necessary, the funds would come from the reserve fund.

Nancy Hormann clarified the security at the lake is not 24 hours a day, 7 days a week. The security guarantee is 180 hours per week. There is no need for security during the day so the majority of service is at night. There has been a huge influx of youth homeless camping at the lake and on the patios of condos.

Kathy Berzins stated the City is working with Tumbleweed to address the homeless issue City wide.

Ken Jones made the recommendation to firm up the liability insurance and reduce the water quality treatments from four to three full treatments.

MOTION: Heidi Kimball
SECOND: Neil Calfee
DECISION: Motion approved

<u>Announcements</u>

Heidi Kimball welcomed Lisa Collins to the Commission.

The Committee's next meeting will be July 11, 2012 at the Orchid House Conference Room, 21 E Sixth Street, Tempe, AZ 85281.

Meeting adjourned at 9:37 AM.

Prepared by: Benicia Benson Reviewed by: Chris Messer

1 Collised

Lisa Collins

Secretary